

JOINT MEETING OF
HEALTH & EDUCATION COMMITTEE
BUDGET COMMITTEE and SCHOOL BOARD

May 24, 2011

5:30 p.m.

Board of Education

MINUTES:

MEMBERS PRESENT:

Commissioner Rhonda Allen
Commissioner Carol Cook
Commissioner Will Jordan
Commissioner Jeff Phillips
Commissioner Chantho Sourinho
Commissioner Brad Turner
Commissioner Jeff Jordan, Chm

OTHERS PRESENT:

Ernest Burgess Mark Byrnes
Harry Gill Grant Kelley
Jeff Sandvig Donald Jernigan
Gary Clardy Aaron Holladay
Joyce Michaels Wayne Blair
Bob Bullen Dorris Jernigan
Becky Shelton

Commissioner Charlie Baum
Commissioner Joe Frank Jernigan
Commissioner Robert Peay
Commissioner Steve Sandlin
Commissioner Doug Shafer
Commissioner Joyce Ealy, Chm

Chairman Jordan presided and called the joint meeting of the Health & Education Committee, Budget Committee and School Board to order at 5:30 p.m. to include presentation of the 11/12 School Board budget.

MINUTES:

"Commissioner Cook moved, seconded by Commissioner Sourinho, to approve the minutes of the last meeting as mailed. This motion passed unanimously by acclamation."

The Committee was advised due to the presentation of the 11/12 School Board budget, the reports for Community Care, Health Department and Special Projects had been held and would be presented at the next Committee meeting.

SCHOOL BOARD REPORT:

The Committee was first provided General Purpose Schools budget amendments including (1) an amendment to reallocate \$80,850 in already budgeted classified staff pay and the related \$11,856 in benefits to other classified staff line items. It also covers \$55,000 in additional unemployment compensation for custodians by amending \$55,000 from the custodians' medical insurance line. The amendment affects 0.33% of the classified staff budget. (2) an amendment reallocating a total of \$473,438 in already budgeted certified salary and benefit dollars to cover \$284,125 in certified staff pay, \$147,000 in unemployment and the related \$42,313 in benefits with the funding source being \$415,561 in already budgeted certified staff and \$57,877 in related benefits. The amendment affects 0.33% of the certified staff budget. (3) an amendment to reallocate \$208,800 in already budgeted employee insurance to the employee insurance lines that need additional funding. The amendment affects 0.74% of the employee insurance budget and does not increase the budget for employee insurance. (4) an amendment to budget an additional \$39,800 in the State of Tennessee Department of Labor and Workforce Development – Adult Education grant revenue account numbers 46590 and 47590. These funds will be used to purchase computers, software and instructional materials and supplies for the Adult Education program in account

numbers 71600 and 72260. (5) an amendment to reallocate \$139,196 of the already budgeted money in the General Purpose School budget budgeted for start up expenditures at Central Magnet School to the budget lines where it will be expended. (6) an amendment reallocating \$359,100 in already budgeted substitute teacher pay to other substitute teacher lines in the budget to reflect the placement of substitute teachers this year. Following discussion,

"Commissioner W. Jordan moved, seconded by Commissioner Allen, to approve the General Purpose Schools 2010/11 budget amendments (1) to amend \$80,850 in already budgeted classified staff pay and the related \$11,856 in benefits to other classified staff lines and to amend \$55,000 in additional unemployment compensation for custodians by amending \$55,000 from the custodians' medical insurance line as presented. (2) to amend a total of \$473,438 in already budgeted certified salary and benefit dollars to cover \$284,125 in certified staff pay, \$147,000 in unemployment and the related \$42,313 in benefits as presented. (3) to amend \$208,800 in already budgeted employee insurance to the employee insurance lines that need additional funding as presented. (4) to amend an additional \$39,800 in the State of Tennessee Department of Labor and Workforce Development – Adult Education grant revenue account numbers 46590 and 47590 and increase the related expenditures in account numbers 71600 and 72260 as presented. (5) to amend \$139,196 of Central Magnet Schools budgeted start up funds to the budget lines as presented. (6) to amend \$359,100 in already budgeted substitute teacher pay to other substitute teacher lines in the budget as presented. This motion passed unanimously by roll call vote."

The next item presented was an amendment budgeting an additional \$271,995 in additional program related and miscellaneous revenues and uses the revenue to cover various needs in the General Purpose school budget. The proposed expenditures will (1) cover \$56,179 in expenditures related to the Drivers' Ed program and flow-through revenues – 71100-599; (2) adjust the budget for Coordinated School Health – function 72120; (3) revise the expenditures for Safe Schools – function 72130; (4) budget part of this year's Jennings Jones grant – 72210-524 – and other miscellaneous donations; (5) cover leave in the Maintenance Department for an employee who left – function 72620; (6) cover expenditures in Transportation, primarily related to a bud repair – function 72710; (7) cover a 2009/10 purchase order that was liquidated in error – 72810-317; (8) transfer \$68,280, the proceeds from the sale of the property at Cedar Grove School, to the building program to be added to the funds for the next elementary school – 99100-590. Following discussion,

"Commissioner J. Phillips moved, seconded by Commissioner Turner, to amend \$271,995 in additional program related and miscellaneous revenues and \$271,995 in additional expenditures as presented. This motion passed unanimously by roll call vote."

The next amendment presented budgeted \$5,327,988 in net 2010/11 revenues and additional \$849,476 in net expenditures and increases fund balance by \$4,478,512, \$3,338,849 of the revenue is local and \$1,989,139 is State. The expenditures are (1) \$612,584 – 71100-449 – Textbooks – to save \$778,000 on the K-2 math adoption over the next five years; (2) \$80,000 – 72310-510 – Trustee's Commission – due to higher local revenues; (3) \$387,000 – 72710-315 – Contracts with Vehicle Owners – fuel price adjustment and mileage/capacity changes; (4) \$(208,304) – 82130-602 – Principal Payments on Notes – only three months of payments on energy sensor loans; (5) \$(21,804) – 82230-604 – Interest on Notes – only three months of payments on energy sensor loans. The total of the amendments is \$849,476. Following discussion,

"Commissioner Cook moved, seconded by Commissioner Sourinho, to amend an additional \$5,327,988 in net 2010/11 revenues,

an additional \$849,476 in net expenditures and to increase fund balance by \$4,478,512 as presented. This motion passed unanimously by roll call vote."

The next 2010/11 budget amendment was in Career Ladder Extended Contract which reallocated \$22,600 in already budgeted State career ladder and extended contract funds and the related \$934 in benefits to other career ladder and extended contract lines. It also covers a vacation payout for a twelve month employee who will be retiring at the end of this year from already budgeted labor dollars. Following discussion,

"Commissioner Allen moved, seconded by Commissioner Turner, to amend \$22,600 in already budgeted State career ladder and extended contract funds and the related \$934 in benefits to other career ladder and extended contract lines and to amend \$15,506 for vacation payouts as presented. This motion passed unanimously by roll call vote."

The next amendment presented was a GPS Amendment within Major Functions and reallocated \$918,744 in already budgeted non-labor expenditures within the major functions. No new funds are being used. The largest change is \$600,000 for utilities and the next largest is \$139,000 in maintenance expenditures. This is a routine clean up amendment. Following discussion,

"Commissioner Turner moved, seconded by Commissioner Allen, to amend a total of \$918,744 in already budgeted non-labor expenditures within the major functions as presented. This motion passed unanimously by roll call vote."

The next budget amendment presented in 2010/11 Fund 143 was in the Centralized Cafeteria and was a year end adjustment for the cafeteria fund which budgeted an additional \$342,382 in revenues and \$342,382 in related expenditures. There is no change to fund balance in this amendment. Following discussion,

"Commissioner Sourinho moved, seconded by Commissioner J. Phillips, to amend the Centralized Cafeteria Fund for an additional \$342,382 in revenues and an additional \$342,382 in expenditures as presented. This motion passed unanimously by roll call vote."

The next budget amendment was in 2010/11 Fund 177, Major Capital Repairs and reallocated \$14,750 in already budgeted expenditures in the Major Capital Projects Fund 177 to the accounts where they will be needed this year for approved projects. The \$500 in Trustee's Commission will cover growth in local revenues. The architect fees are for the grease interceptors and back flow prevention at Central Magnet School. The engineering fees are for the waste water systems at Kittrell and Lascassas Schools. Following discussion,

"Commissioner Turner moved, seconded by Commissioner W. Jordan, to amend \$14,750 in already budgeted expenditures in the Major Capital Projects Fund, Fund 177 to Trustee's Commission, Architect and Engineering fees as presented. This motion passed unanimously by roll call vote."

The Committee was next provided the 2011/12 budget with Superintendent Gill advising it is basically a mirror of the current budget except for small raises across the board and is based on 2½% student growth. It is \$9,800,000 more than the current budget or 3.8%. \$2,974,097 is the State raise and benefits or 1.6% as requested by the Governor. Superintendent Gill advised Rutherford County is the third largest ESL school system in the State behind Shelby and Metro.

Superintendent Gill next provided information on the new certified staff positions requested in the budget as well as positions

previously funded through ARRA funds that are now being absorbed into the budget. The Committee was advised previously funded ARRA positions now being absorbed by the School Board total \$1,066,431. The Committee was reminded of the student ratio mandates.

The Committee was advised last year's budget was figured on 2½% increase in student population and that projection was met.

The five teacher evaluator positions were questioned. Mr. Gill advised these are required by the State and will be retired personnel so no benefits except Medicare will be paid. These positions are in addition to the evaluations performed by principals.

Commissioner Baum questioned if approximately 30% of the increase was because of State mandated requirements and inquired if the State paid any of this. It was confirmed about 30% of the increase is due to State requirements and the State pays about half the cost.

Mr. Gill reviewed the significant changes in the budget including both increases and decreases.

The Committee discussed discretionary funds to the schools and what these could be used for.

Commissioner Sandlin ask if the 1.6% increase was across the board or were there some receiving larger raises and was advised there were 2 or 3 people getting more than the 1.6% because it was felt they were due the increase. Bus drivers are getting 2% increase.

Commissioner Sandlin ask that the employees' names receiving the larger increases be provided before the next Budget Committee meeting. Mr. Gill advised he did not want the names disseminated.

Mayor Burgess reminded the Committees ending fund balance was used this year and ask if there had been any projections as to revenue to determine an ending fund balance and what would be used next year from the ending fund. Mr. Sandvig advised he projected to have over \$16,500,000 in the fund balance after closing the books and thought along the similar lines for next year. The ARRA funds are using up a lot of the money and \$8,000,000 to \$9,000,000 has to be kept in the fund balance.

Superintendent Gill advised the system is still one of the lowest funded per pupil in the State. The Committees were advised two out of nine students in Middle Tennessee that scored a perfect ACT score were from the Rutherford County system. Dr. Byrnes advised the budget presented is the leanest that could be brought forward to continue to do a good job. Following discussion,

"Commissioner J. Phillips moved, seconded by Commissioner Cook, to approve the 2011/12 School Board budget as presented and forward the same to the Budget Committee. This motion passed unanimously by roll call vote."

The next Budget Committee meeting is May 31, 2011.

The Committee was next provided the 2011/12 Cafeteria budget. Following discussion,

"Commissioner Allen moved, seconded by Commissioner Sourinho, to approve the 2011/12 Cafeteria budget as presented with revenues of \$14,881,100 and total expenses of \$15,696,600. This motion passed unanimously by roll call vote."

The next item presented was the 2011/12 Major Capital Improvements Fund 177 budget. Following discussion,

"Commissioner Allen moved, seconded by Commissioner Turner,

to approve the Major Capital Improvements Fund 177 budget as presented with total revenue and operating transfers of \$2,353,213 and total expenditures of \$2,423,064. This motion passed unanimously by roll call vote."

The Committee was advised the next scheduled meeting is June 28 which is after the tax rate has been set on the 27th and questioned whether a meeting would be needed. The Stewarts Creek bid opening is June 30 and Eagleville bid opening is August 16. Commissioner W. Jordan advised he would like to have all the bids to review at one time. It was the consensus of the Committee the June 28 meeting is cancelled and the July 26 meeting will be the next meeting.

There appearing to be no further business to come before the Committees, Chairman Jordan declared the meeting adjourned at 7:10 p.m.

JEFF JORDAN, Chairman